

RESOLUTION NO. 06-28

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK RELATING TO THE REFUNDING OF ITS VARIABLE RATE DEMAND REVENUE BONDS, SERIES 2002 (SAN FRANCISCO BALLET ASSOCIATION PROJECT) FOR THE SAN FRANCISCO BALLET ASSOCIATION AND TO FINANCE THE COSTS OF THE ACQUISITION, CONSTRUCTION, EQUIPPING AND FURNISHING OF CERTAIN ECONOMIC DEVELOPMENT FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR THE ISSUANCE OF THE BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS

July 25, 2006

WHEREAS, the California Infrastructure and Economic Development Bank (the "Bank") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) (as now in effect and as it may from time to time hereafter be amended or supplemented, the "Act"), for the purpose of, among other things, providing financial assistance for the design, construction, financing and development of economic development facilities (as such term is defined in the Act) located in the State of California; and

WHEREAS, the Bank has heretofore received the application of San Francisco Ballet Association, a California nonprofit public benefit corporation (the "Borrower"), for financial assistance to provide funds to: (i) refund the Bank's Variable Rate Demand Revenue Bonds, Series 2002 (San Francisco Ballet Association Project) (the "Prior Bonds"), which Prior Bonds were issued to finance, among other things, (a) the renovating and equipping of the Borrower's administration building and annex, and (b) capital costs associated with certain ballet performances, and related capital improvements; (ii) finance the acquisition, construction, installation, furnishing and/or equipping of certain facilities, including (a) the further renovating and equipping of the Borrower's administration building; (b) capital costs associated with certain ballet performances; (c) acquisition of warehouse space; (d) acquisition of a student living facility; (e) certain computer hardware upgrades; and (f) certain improvements to the War Memorial Opera House (the "Project"), and (iii) to fund capitalized interest with respect to the Bonds and (iv) to pay certain costs of issuance incurred in connection with the issuance and sale of the Bonds; and

WHEREAS, the Borrower has requested the Bank to issue variable rate revenue bonds in an amount not to exceed \$44,000,000 to assist in the refunding of the Prior Bonds and financing of the Project and related costs; and

WHEREAS, in order to enhance the marketability of the bonds, the Borrower has agreed to provide for the delivery of a bond insurance policy from an insurance company rated in one of the three highest rating categories of Moody's Investors Service, Fitch, Inc. or Standard &

Poor's Ratings Services, without regard to numerical or other qualifiers and a liquidity facility, thereby supporting repayment of the bonds; and

WHEREAS, final approval of the terms of such bonds and certain documents relating to the bonds is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Infrastructure and Economic Development Bank as follows:

Section 1. The Bank hereby determines as follows:

- a. The Project is located in the State of California.
- b. Based upon the requirement that the transaction will be insured and supported by a liquidity facility, the Borrower is capable of meeting the obligations incurred under the agreements approved by this resolution.
- c. The payments to be made by the Borrower to the Bank under the loan agreement approved herein are adequate to pay the current expenses of the Bank in connection with the financing and to make all the payments on the variable rate revenue bonds approved herein.
- d. The proposed financing is appropriate for the refunding of the Prior Bonds and financing the Project.
- e. The Project is consistent with any existing local or regional comprehensive plan.
- f. The Project demonstrates clear evidence of a defined public benefit.

Section 2. The revenue obligations of the Bank, designated as the "California Infrastructure and Economic Development Bank Variable Rate Revenue Bonds, Series 2006 (San Francisco Ballet Association)" (the "2006 Bonds") in an aggregate principal amount not to exceed \$44,000,000 are authorized to be issued under Sections 63000 and following of the California Government Code. The Bank hereby acknowledges that the payment of the principal of and interest on the 2006 Bonds will be supported by a municipal bond insurance policy issued by Financial Guaranty Insurance Company and a liquidity facility provided initially by JPMorgan Chase Bank, National Association.

Section 3. The Treasurer of the State of California (the "Treasurer") is hereby authorized and requested to sell the 2006 Bonds, at any time within one hundred eighty (180) days of receipt of a certified copy of this resolution, at negotiated sale, at such price and at such interest rate or rates as he may determine.

Section 4. The proposed form of Loan Agreement (the "Loan Agreement") between the Bank and the Borrower, on file with the Secretary, is hereby approved. The Executive Director and the Chair of the Bank, or the Chair's designee, and each of them, acting

alone, is hereby authorized and directed for and on behalf and in the name of the Bank to execute, acknowledge and deliver to the Borrower, and the Secretary of the Bank is authorized to attest thereto, the Loan Agreement in substantially said form, with such changes therein as the official executing the same, with the advice of the Bank's counsel, may require or approve, such approval to be conclusively evidenced by execution and delivery thereof.

Section 5. The proposed form of the Indenture (the "Indenture") between the Bank and the trustee named therein (the "Trustee"), as presented to this meeting, is hereby approved. The Executive Director and the Chair of the Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute, acknowledge and deliver to the Trustee, and the Secretary of the Bank is authorized to attest thereto, the Indenture in substantially the form presented to this meeting, with such insertions and changes therein as officials executing the same, with the advice of the Bank's counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates, interest rate or rates and payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the 2006 Bonds shall be as provided in said Indenture, as finally executed.

Section 6. The proposed form of Bond Purchase Agreement (the "Bond Purchase Agreement") among the Treasurer, the Bank and J.P. Morgan Securities Inc., as the underwriter (the "Underwriter"), as presented to this meeting, is hereby approved. The Executive Director and the Chair of the Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute the Bond Purchase Agreement in substantially the form presented to this meeting, with such insertions and changes therein as the official executing the same, with the advice of the Bank's counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The proposed form of Escrow Agreement (the "Escrow Agreement") among the Bank, the Borrower and the escrow agent named therein (the "Escrow Agent"), on file with the Secretary, is hereby approved. The Executive Director and the Chair of the Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed for and on behalf and in the name of the Bank to execute, acknowledge and deliver to the Borrower and the Escrow Agent, the Escrow Agreement in substantially said form, with such changes therein as the official executing the same, with the advice of the Bank's counsel, may require or approve, such approval to be conclusively evidenced by execution and delivery thereof.

Section 8. The proposed form of official statement relating to the 2006 Bonds (the "Official Statement"), as presented to this meeting, is hereby approved. The Underwriter is hereby authorized to distribute copies of the Official Statement in connection with the offering of the 2006 Bonds, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this resolution and as are approved by the Bank's counsel, such approval to be conclusively evidenced by delivery thereof to the Underwriters.

Section 9. The Executive Director and the Chair of the Bank, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed to execute, manually or by facsimile, in the name and on behalf of the Bank, the 2006 Bonds in an aggregate principal amount not to exceed the amount authorized hereunder in accordance with the Indenture and in the form set forth in such Indenture.

Section 10. The 2006 Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee pursuant to the Indenture. The Trustee is hereby requested and directed to authenticate the 2006 Bonds by executing the Trustee's certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the 2006 Bonds, when duly executed and authenticated, to The Depository Trust Company, New York, New York (the "Depository") on behalf of the purchasers thereof in accordance with written instructions executed on behalf of the Bank by the Executive Director or the Chair of the Bank, or the Chair's designee, which instructions said official is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the 2006 Bonds to the Depository, on behalf of the purchasers thereof, upon payment of the purchase price thereof.

Section 11. The officials of the Bank and their authorized designees are hereby authorized and directed, jointly and severally, to do any and all things, and to execute and deliver any and all documents and certificates, including without limitation a tax certificate, letter of representations or similar documents to the bond depository, interest rate swap documentation, including certificates identifying interest rate swaps integrated with any Bonds, any guarantees relating to the 2006 Bonds, or other documents necessary or advisable to refund the Prior Bonds and finance the Project, and any documents relating to the bond insurance and the liquidity facility, which in each case they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the 2006 Bonds or otherwise to effectuate the purpose of this resolution.

Section 12. This resolution shall take effect immediately upon its passage.

PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on July 25, 2006 by the following vote:

AYES: FISH, LUJANO, SHEEHAN, MARIN

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE


Stanton C. Hazelroth, Executive Director

Attest:


Roma Cristia-Plant, Secretary